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Rapeseed Production Somewhat Better than Expected

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Report Highlights:
This report provides EU-27 production, supply, and demand forecasts for oilseeds, protein meals and related products.

General Information:

This report presents the outlook for oilseeds in the EU-27. The data in this report is based on the views of Foreign Agricultural Service (FAS) analysts in the EU and is not official USDA data.

This report was a group effort of the following FAS analysts:

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The FAS EU-27 oilseeds reporting team would like to thank Yoonhee Macke from FAS/OGA for her valuable input and support.

Abbreviations used in this report

Benelux	= Belgium, the Netherlands, and Luxembourg
CAP	= EU common agricultural policy
CY	= Calendar year
e	= Estimate (of a value/number for the current, not yet completed, marketing year)
EU-27	= European Union of 27 member states (Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, France, Finland, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom)
FSU	=Former Soviet Union
f	= Forecast (of a value/number for the next, not yet started, marketing year)
Ha	= Hectares
GE	= Genetically engineered / Genetically engineered organisms
GHG	= Greenhouse gas
MT	= Metric ton (1000 kg)
MMT	= Million metric tons
MS	= EU Member State(s)
MY	= Marketing year
NUTS2	= Nomenclature of Units for Territorial Statistics level 2 = code for regions within a country
SME	= Soybean meal equivalent
U.K.	= United Kingdom
U.A.E.	= United Arabic Emirates
U.S.	= The United States of America

In this report "**biofuel**" includes only biofuels used in the transport sector. Biomass/biofuel used for electricity production or other technical uses such as lubricants or in detergents are included in "**industrial use**".

The marketing years used in this report are:

July-June
Rapeseed complex

October -September
Soybean complex
Sunflower complex

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1. Executive Summary:

Coordinator: Roswitha Krautgartner, FAS/Vienna

Consumption

Due to lower rapeseed availability, total oilseeds consumption (including meals and oils) in marketing year (MY) 2011/12 is expected to be lower. Less rapeseed production will lead to less rapeseed oil for biofuels production whereas food use of rapeseed oil is expected to be unaffected. Lower production of rapeseed will result in record rapeseed imports, which are expected to come from Ukraine and Australia. In contrast to rapeseed, sunflower and soybeans – particularly soybean meal - are highly available in MY 2011/12 and consumption is expected to increase compared to the previous year. The demand for soybean meal is still expected to grow but at a slower pace than in MY 2010/11. Soybean meal faces competition from domestically-produced high protein grains and sunflower seed meal. Good sunflower supplies, and lower availability of rapeseed, will lead to increased consumption of sunflower meal and sunflower oil.

Production

The production of rapeseed in My 2011/12 is down by almost 9 percent compared to MY 2010/11 but yields are better than previously expected. A lack of precipitation in March affected Germany's rapeseed production more than France's, which will make France largest producer in the EU-27. Prospects for the sunflower crop in MY 2011/12 are still very good. A three year high in sunflower production in the EU-27 is expected. EU-27 soybean production is remains small but will increase to 1.2 MMT.

Policy

Germany and Austria were the first Member States to implement the Renewable Energy Directive's (RED) sustainability criteria for biofuels and biomass production. Other EU Member States will follow. The implementation of sustainability rules will increasingly require the use of sustainably certified feedstock, which may cause changes in the sourcing of feedstock, especially for biodiesel.

2. Total of Major Oilseeds (Soybean, Rapeseed, Sunflower)

Coordinator: Roswitha Krautgartner, FAS/Vienna

EU-27 Area of Major Oilseeds (in 1,000 ha)

Area	2009	2010	2011e

Rapeseed	6,526	6,983	6,770
Sunflower	3,900	3,718	3,920
Soybeans	308	374	412
Total	10,734	11,075	11,102

Note: The years refer to the calendar year in which the harvest occurs (e.g. 2009 = harvested in CY 2009, marketed in MY 2009/10)
Source: FAS EU-27

EU-27 Major Oilseed Production (in 1,000 MT)

Production	2009	2010	2011e
Rapeseed	21,395	20,594	18,800
Sunflower	6,909	6,850	7,100
Soybeans	836	1,047	1,208
Total	29,140	28,491	27,108

Note: The years refer to the calendar year in which the harvest occurs (e.g. 2008 = harvested in CY 2008, marketed in MY 2008/09)
Source: FAS EU-27

EU-27 Major Oilseed Crush (in 1,000 MT)

Crush	MY 2009/10	MY 2010/11e	MY 2011/12f
Rapeseed	23,000	22,500	21,300
Sunflower	6,150	6,140	6,300
Soybeans	12,242	12,500	12,300
Total	41,392	41,140	39,900

Source: FAS EU-27

Feed, Seed, Waste Use of Major Oil Meals in the EU-27 (in 1,000 MT)

Feed, Seed, Waste Use Meals	MY 2009/10	MY 2010/11e	MY 2011/12f
Soybean meal	29,610	31,600	32,100
Rapeseed meal	12,560	12,500	11,965
Sunflower meal	5,100	4,850	5,130
Total	47,270	48,950	49,195

Source: FAS EU-27

Industrial Use of Major Oils in the EU27 (in 1,000 MT):

Industrial Dom. Consumption	MY 2009/10	MY 2010/11e	MY 2011/12f
Rapeseed Oil	7,239	7,045	6,760
Soybean Oil	1,180	1,330	1,390
Sunflower Oil	360	290	300
Total Oils	8,779	8,665	8,450

Source: FAS EU-27

Biofuels Use of Major Oils in the EU27 (in 1,000 MT):

Biofuels	2009	2010	2011e
Feedstock/Rapeseed Oil	6,600	6,445	6,210
Feedstock/Soy Oil	980	1,130	1,190
Feedstock/Sun Oil	210	200	270
Total	7,790	7,7751,330	7,6701,460

Ending Stocks of Selected Vegetable Oils in the EU27 (in 1,000 MT):

Ending Stocks	MY 2009/10	MY 2010/11e	MY 2010/11f
Rapeseed Oil	365	230	150
Sunflower Oil	438	353	383

Soybean Oil	244	304	304
Total	1,047	887	837

Source: FAS EU-27

3. Soybean Complex

Coordinator: Marie-Cecile Henard/FAS Paris

Oilseed, Soybean EU-27	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: May 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	350	308	350	374	360	412
Area Harvested	299	308	380	374	400	412
Beginning Stocks	558	558	277	332	502	469
Production	836	836	1,075	1,047	1,100	1,208
MY Imports	12,301	12,301	13,800	12,800	13,300	12,300
MY Imp. from U.S.	2,700	2,499	2,700	2,600	2,600	2,300
MY Imp. from EU	0	0	0	0	0	0
Total Supply	13,695	13,695	15,152	14,179	14,902	13,977
MY Exports	36	36	50	80	30	80
MY Exp. to EU	0	0	0	0	0	0
Crush	12,510	12,242	13,400	12,500	13,200	12,300
Food Use Dom. Cons.	122	128	120	130	120	130
Feed Waste Dom. Cons.	750	957	1,080	1,000	1,080	1,000
Total Dom. Cons.	13,382	13,327	14,600	13,630	14,400	13,430
Ending Stocks	277	332	502	469	472	467
Total Distribution	13,695	13,695	15,152	14,179	14,902	13,977
1000 HA, 1000 MT						

Meal, Soybean EU-27	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: May 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	12,510	12,242	13,400	12,500	13,200	12,300
Extr. Rate, 999.9999	1	1	1	1	1	1
Beginning Stocks	130	130	130	390	360	438
Production	9,880	9,655	10,557	9,900	10,400	9,700
MY Imports	20,730	20,722	22,900	22,300	23,300	23,000
MY Imp. from U.S.	150	1,033	200	1,100	200	1,200
MY Imp. from EU	0	0	0	0	0	0
Total Supply	30,740	30,507	33,587	32,590	34,060	33,138
MY Exports	472	465	500	510	450	440
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	10	10	10	10	10	10
Food Use Dom. Cons.	32	32	32	32	32	32
Feed Waste Dom. Cons.	30,096	29,610	32,685	31,600	33,218	32,100
Total Dom. Cons.	30,138	29,652	32,727	31,642	33,260	32,142
Ending Stocks	130	390	360	438	350	556
Total Distribution	30,740	30,507	33,587	32,590	34,060	33,138
1000 MT, PERCENT						

Oil, Soybean EU-27	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: Oct 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	12,510	12,242	13,400	12,500	13,200	12,300
Extr. Rate, 999.9999	0	0	0	0	0	0
Beginning Stocks	234	234	280	244	230	304

Production	2,280	2,310	2,443	2,320	2,412	2,300
MY Imports	543	550	950	770	750	740
MY Imp. from U.S.	1	1	1	1	1	1
MY Imp. from EU	0	0	0	0	0	0
Total Supply	3,057	3,094	3,673	3,334	3,392	3,344
MY Exports	380	380	400	400	350	350
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	1,030	1,180	1,587	1,330	1,450	1,390
Food Use Dom. Cons.	1,287	1,240	1,336	1,250	1,300	1,250
Feed Waste Dom. Cons.	80	50	120	50	90	50
Total Dom. Cons.	2,397	2,470	3,043	2,630	2,840	2,690
Ending Stocks	280	244	230	304	202	304
Total Distribution	3,057	3,094	3,673	3,334	3,392	3,344
1000 MT, PERCENT						

MY 2011/12

The EU demand for soybean meal for animal feed is expected to increase to 32.1 million metric tons (MMT) in 2011/12, but at a slower pace than in MY 2010/11 (1.5 percent vs. almost 7 percent). Soybean meal is expected to be widely available and at competitive prices due to good harvests in South America. The use of rapeseed meal in animal feed is expected to be limited by a smaller domestic crop. However, on the European market broadly, there will be competitive pricing for domestically-produced high protein grains and sunflower seed meal.

The leading consumers of soybean meal in animal feed in the EU are Germany, Spain, France, the Benelux and Italy. To meet the higher demand in MY 2011/12, EU imports of soybean meal are expected to increase to 23 MMT.

EU-27 soybean imports are expected to decline to 12.3 MMT, in line with reduced soybean demand for crushing. Imports will be limited by the fact that EU suppliers of soybeans (mainly Brazil, Argentina and the United States) are expected to keep more soybean production for their national biodiesel production. In addition, the EU oilseeds crush is expected to include a significantly larger share of sunflower seed in MY 2011/12, at the expense of rapeseed and soybeans. EU domestic production of soybeans is expected to remain marginal compared to imports, increasing to 1.21 million MT in MY 2011/12. This mainly results of higher production in Italy, which at 750,000 MT, is the EU's leading producer. In this country, soybean acreage is expanding at the expense of wheat.

The demand for soybean oil for biodiesel is expected to slightly increase to 1.19 million MT in MY 2011/12. This will partially compensate for reduced use of rapeseed oil due to the smaller domestic crop. The increase in soybean oil use for biodiesel is expected to be limited by the increased use of imported biodiesel and some operators' concerns about RED sustainability criteria.

MY 2010/11

In MY 2010/11, the EU demand for soybean meal in animal feed is boosted by the limited domestic supplies of rapeseed meal, sunflower seed meal and feed grains. To meet rising demand, EU imports of both soybeans and soybean meal are on the rise.

EU imports of soybeans are estimated to increase by 500,000 MT from MY 2009/10 to 12.8 MMT in MY 2010/11, reflecting the increase in shipments observed during the eight first months in the MY (October 2010-May 2011). Imports principally increased from the United States, which were the EU's leading supplier of soybeans in the first eight months of MY 2010/11, with 36 percent market share, ahead of Brazil (33 percent).

Soybean crush is expected to increase by 10 percent compared to MY 2009/10 to 12.5 million MT, in line with the increase in soybean imports.

The consumption of soybean meal in animal feed is estimated to increase to 31.6 MMT in MY 2010/11. Increased use of soybean meal in animal feed is principally observed in Germany, France, the Netherlands, and Spain, where the increased use of low protein feed grains and high grains prices favor soybean meal in the ration.

To meet higher demand from the feed industry, almost 10 MMT of soybean meal will be produced and 22.3 MMT imported. During the first eight months of MY 2010/11, EU soybean meal imports increasingly originated mainly from Brazil (52 percent of the total) and Argentina (42 percent). The higher availability and price-competitiveness of soybean oil relative to rapeseed oil sunflower oil will result in higher use of soybean oil for biodiesel production.

The use of soybean oil for biodiesel will to increase to 1.13 MMT in MY 2010/11. Most of the increase can be attributed to Spain, followed by France, Italy and Portugal. Higher demand for soybean oil for biodiesel triggers both production (a higher crush), and imports, which are estimated to increase to 770,000 MT in MY 2010/11. During the first eight months of MY 2010/11, imports principally rose from Argentina, which was the EU's leading supplier of soybean oil.

4. Rapeseed Complex

Coordinators: Sabine Lieberz, Leif Rehder/FAS Berlin

Rapeseed

Oilseed, Rapeseed EU-27	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Jul 2009		Market Year Begin: Jul 2010		Market Year Begin: May 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	6,530	6,530	6,900	6,900	7,000	7,000
Area Harvested	6,526	6,526	6,951	6,983	6,800	6,770
Beginning Stocks	1,843	1,843	1,842	1,687	1,323	1,331
Production	21,584	21,395	20,651	20,594	18,800	18,800
MY Imports	2,106	2,106	2,200	2,350	3,050	3,000
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	25,533	25,344	24,693	24,631	23,173	23,131
MY Exports	157	157	220	200	180	150
MY Exp. to EU	0	0	0	0	0	0
Crush	22,550	23,000	22,280	22,500	21,300	21,300
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	984	500	870	600	825	550
Total Dom. Cons.	23,534	23,500	23,150	23,100	22,125	21,850
Ending Stocks	1,842	1,687	1,323	1,331	868	1,131
Total Distribution	25,533	25,344	24,693	24,631	23,173	23,131
1000 HA, 1000 MT						

Meal, Rapeseed EU-27	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Jul 2009		Market Year Begin: Jul 2010		Market Year Begin: May 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	22,550	23,000	22,280	22,500	21,300	21,300
Extr. Rate, 999.9999	1	1	1	1	1	1
Beginning Stocks	95	95	75	300	107	340
Production	12,982	12,850	12,827	12,580	12,262	11,950
MY Imports	134	134	200	215	130	200
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	13,211	13,079	13,102	13,095	12,499	12,490
MY Exports	214	214	240	250	100	180

MY Exp. to EU	0	0	0	0	0	
Industrial Dom. Cons.	0	5	0	5	0	5
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	12,922	12,560	12,755	12,500	12,310	11,965
Total Dom. Cons.	12,922	12,565	12,755	12,505	12,310	11,970
Ending Stocks	75	300	107	340	89	340
Total Distribution	13,211	13,079	13,102	13,095	12,499	12,490
1000 MT, PERCENT						

Oil, Rapeseed EU-27	**2009/2010**		**2010/2011**		**2011/2012**	
	Market Year Begin: Jul 2009		**Market Year Begin: Jul 2010**		**Market Year Begin: May 2011**	
	USDA Official	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Crush	22,550	23,000	22,280	22,500	21,300	21,300
Extr. Rate, 999.9999	0	0	0	0	0	0
Beginning Stocks	474	474	249	365	197	230
Production	9,370	9,540	9,258	9,320	8,851	8,750
MY Imports	441	441	480	500	550	800
MY Imp. from U.S.	24	24	15	12	15	15
MY Imp. from EU	0	0	0	0	0	0
Total Supply	10,285	10,455	9,987	10,185	9,598	9,780
MY Exports	111	111	200	210	170	130
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	7,190	7,239	6,905	7,045	7,120	6,760
Food Use Dom. Cons.	2,730	2,700	2,680	2,650	2,120	2,690
Feed Waste Dom. Cons.	5	40	5	50	5	50
Total Dom. Cons.	9,925	9,979	9,590	9,745	9,245	9,500
Ending Stocks	249	365	197	230	183	150
Total Distribution	10,285	10,455	9,987	10,185	9,598	9,780
1000 MT, PERCENT						

MY 2011/12

The rapeseed harvest is well underway in most member countries. Despite lower acreage, the production estimate is unchanged, due to better than expected yields. Yields, however, show a large variation across member states. For example, the lack of rains in March and April affected yields in Germany, but to a lesser extent, France. France is expected to be the largest producer of rapeseed in the EU-27 this season, a distinction normally held by Germany. Italy, Spain, the Slovak Republic and Romania also show higher yields than previously forecasted. Production estimates by member state are summarized in the table below.
As anticipated, the lower production compared to last year will result in record rapeseed imports, which we expect will come from Ukraine and Australia.

The oil extraction rate is expected to be lower than in recent years, a result of reported lower oil content in Germany. Consequently, prospects for EU-27 domestic oil production is lower than previously expected, which generates good opportunities for rapeseed oil exports to the EU, specifically from the United States. Food use of rapeseed oil is expected to be unaffected by price changes as consumers choose this oil for its health benefit. Rapeseed oil use for biofuel production, in contrast, is expected below previous expectations, and will be substituted by soybean oil and higher biodiesel imports.

EU rapeseed production by country in 1000 MT

COUNTRY	2010/11	2011/12
France	4800	4850
Germany	5749	4600
United Kingdom	2220	2200

Poland	1330	1180
Czech Republic	1042	1056
Romania	970	675
Hungary	560	530
Denmark	575	500
Bulgaria	545	560
Lithuania	420	420
Slovak Republic	323	336
Sweden	300	300
Latvia	215	205
Other	1291	1388
Total EU-27	20340	18800

Source: FAS/EU-27 posts

MY 2010/11

Area and production were marginally revised as member states released updated data. Imports and crush of rapeseed developed more positively than expected. However, crush still remains below the previous MY.

Impact of sustainability certification for biofuels on oilseeds trade

The Renewable Energy Directive (RED), which is part of the EU climate change package, stipulates sustainability criteria for biofuels and biomass for biofuels production. These criteria have to be met for biofuels to be eligible for tax benefits or to count against biofuel use mandates. Sustainability certification is carried out in accordance with voluntary certification schemes, which have to be recognized by MS authorities for their territory or by the European commission for the whole EU. Another option is a bilateral agreement between the European Commission and a third country.

Germany and Austria were the first Member States to implement the requirements under national laws and have required sustainability certification since January 2011. Other Member States are taking longer to implement but will have to follow suit eventually. In the long run, sustainability rules are expected to favor the use of feedstock that is certified to be sustainable according to an EU-accredited system. As the criteria are also applied to imports, this could cause changes in the sourcing pattern of EU biodiesel and feedstock importers.

On July 19, 2011, the European Commission recognized the first seven voluntary schemes for sustainability certification of biofuels and biomass for biofuels production. A certification by one of these schemes is valid in all EU member states as opposed to a certification by a system that is only recognized by a member state government. The schemes are in alphabetical order:

- Abengoa “RED Bioenergy Sustainability Assurance” (RBSA) - All kinds of feedstock in all regions.
- Biomass Biofuels (2BaSvs) - All kinds of feedstock in all regions.
- Bonsucro EU – Sugarcane in all regions.
- Greenergy Brazilian Bioethanol verification program – Sugarcane in Brazil.
- International Sustainability & Carbon Certification (ISCC) – All kinds of feedstock in all regions.
- Roundtable of Sustainable Biofuels EU RED (RSB EU RED) - All kinds of feedstock in all regions.
- Roundtable for Responsible Soy EU RED (RTRS EU RED) – Soybeans.

Details on the schemes can be found on the EU website:
http://ec.europa.eu/energy/renewables/biofuels/sustainability_schemes_en.htm

ISCC and RSB were recognized by Germany in October 2010 and March 2011, respectively, while RTRS EU RED has experience in certification for the food sector. The recognition of these seven voluntary schemes broadens the options that oilseed producer have to obtain sustainability certification.

5. Sunflower Complex

Coordinator: Mila Boshnakova/ FAS Sofia

Oilseed, Sunflowerseed EU-27	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: May 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	3,950	3,900	3,900	3,900	3,900	3,920
Area Harvested	3,904	3,900	3,712	3,718	3,900	3,920
Beginning Stocks	780	780	396	437	346	347
Production	6,905	6,909	6,802	6,850	7,100	7,100
MY Imports	269	269	360	370	600	520
MY Imp. from U.S.	70		70		70	
MY Imp. from EU	0		0		0	
Total Supply	7,954	7,958	7,558	7,657	8,046	7,967
MY Exports	543	541	400	480	450	450
MY Exp. to EU	0		0		0	
Crush	6,180	6,150	6,090	6,140	6,360	6,300
Food Use Dom. Cons.	290	290	270	230	270	270
Feed Waste Dom. Cons.	545	540	452	460	538	500
Total Dom. Cons.	7,015	6,980	6,812	6,830	7,168	7,070
Ending Stocks	396	437	346	347	428	447
Total Distribution	7,954	7,958	7,558	7,657	8,046	7,967
1000 HA, 1000 MT						

Meal, Sunflowerseed EU-27	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: May 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	6,180	6,150	6,090	6,140	6,360	6,300
Extr. Rate, 999.9999	1	1	1	1	1	1
Beginning Stocks	309	309	70	130	122	150
Production	3,373	3,260	3,321	3,250	3,469	3,320
MY Imports	2,007	2,007	2,100	2,050	2,500	2,300
MY Imp. from U.S.	0		0		0	
MY Imp. from EU	0		0		0	
Total Supply	5,689	5,576	5,491	5,430	6,091	5,770
MY Exports	92	86	120	110	90	110
MY Exp. to EU	0		0		0	
Industrial Dom. Cons.	170	260	120	320	250	330
Food Use Dom. Cons.	0		0		0	
Feed Waste Dom. Cons.	5,357	5,100	5,129	4,850	5,650	5,130
Total Dom. Cons.	5,527	5,360	5,249	5,170	5,900	5,460
Ending Stocks	70	130	122	150	101	200
Total Distribution	5,689	5,576	5,491	5,430	6,091	5,770
1000 MT, PERCENT						

Oil, Sunflowerseed EU-27	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: May 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	6,180	6,150	6,090	6,140	6,360	6,300
Extr. Rate, 999.9999	0	0	0	0	0	0
Beginning Stocks	517	517	442	438	305	353
Production	2,591	2,575	2,553	2,575	2,666	2,650
MY Imports	936	936	900	880	1,530	1,000
MY Imp. from U.S.	0		0		0	
MY Imp. from EU	0		0		0	

Total Supply	4,044	4,028	3,895	3,893	4,501	4,003
MY Exports	150	150	160	140	130	140
MY Exp. to EU	0		0		0	
Industrial Dom. Cons.	300	360	250	290	250	300
Food Use Dom. Cons.	3,150	3,050	3,177	3,080	3,728	3,150
Feed Waste Dom. Cons.	2	30	3	30	3	30
Total Dom. Cons.	3,452	3,440	3,430	3,400	3,981	3,480
Ending Stocks	442	438	305	353	390	383
Total Distribution	4,044	4,028	3,895	3,893	4,501	4,003
1000 MT, PERCENT						

MY 2011/12

Sunflower Seeds:

Current prospects for the sunflower crop in the EU-27 in MY 2011/12 are very good. Sunflower planted area was stable or increased in France, Romania, Hungary and Spain, all major producers and is estimated at a three year high. Weather conditions so far have been favorable with summer rains providing sufficient soil moisture. Although there are still risks related to possible extreme August temperatures, total production is projected to be record high at 7.1 MMT or 4.4 percent more than in MY10/11. Sunflower harvest in expected to start in end-August/early September in southern Europe.

World and regional supply of sunflower seeds in MY 2011/12 are expected to be considerably higher than in the previous season due to expected bumper crops in Russia, the FSU and Ukraine. This is likely to lead to abundant exportable supplies in these countries. These developments are already indicated by bearish price trends. Current import estimates are for over 500,000 MT, or almost 40 percent more than in MY10/11, mainly Black Sea origin. Abundant EU supplies are likely to boost exports by 12 percent over MY 2010/11, especially to traditional neighboring markets such as the Balkans, while regional competition for the Turkish market with price-competitive Black Sea suppliers will remain tight.

Good sunflower supplies from both domestic production and imports at competitive prices, combined with lower availability and higher prices for rapeseed, are projected to lead to increased EU sunflower crush. Current estimates are at 6.3 MMT (slightly below USDA official estimate but still 3.4 percent more than in MY 2010/11). The highest growth in the crush is expected in France, Hungary, and Romania while other member states expect stable or slightly higher.

MY11/12 ending stocks of sunflower seeds are likely to increase as a result of good supply compared to previous expectations.

Sunflower Meal:
Output of sunflower meal is likely to be higher than previously expected, as a result of increased domestic crush. Good global supply (Black Sea origin and Argentina) is forecasted to stimulate higher imports, estimated to reach 2.3 MMT. Demand in the EU-27 is favorable due to the expected substitution of rapeseed meal with more readily available sunflower meal. Due to better availability and lower price expectations more sunflower meals is likely to be used in animal feed in MY 2011/12. The highest growth in sunflower meal use in feed is forecasted in Benelux, France, Hungary, Italy, UK, Spain, and Bulgaria. The industrial use of meal is revised upward due to continuing trend to use meal as fuel for heating in Poland.

Sunflower Oil:
Higher domestic sunflower oil output is projected as a result of the increased crush. Good and price competitive global supplies are expected to lead to higher imports. Current import estimates are at one MMT or 9.5 percent more than in MY10/11. More food use is projected in Benelux, Hungary, Slovenia and Austria while in the UK and Italy, consumption is forecasted to drop slightly. Industrial use of oil is revised upward due to recent industry efforts to use more sunflower oil for biodiesel and comparative pricing issues with rapeseed.

MY 2010/11
Sunflower Seeds: Eight months of trade data confirms the previous expectations for sunflower seed imports. Exports are higher than previously anticipated, mainly due to strong demand in Turkey.

Sunflower Meal and Oil: Trade data show sun meal and oil imports growing faster in the second half of MY10/11, reflecting good global supply and favorable domestic demand for meal and oil in the EU- 27. Industrial use of meal was revised upward due to more current data from Poland. Minor adjustments were made for food use of sunflower oil.

6. **Related EU-27 and Country Reports:**

Oilseeds Reports

Report Title	Date Released
| Oilseed, Soybean (Local), Meal, Soybean | Rebound of EU-27 Oilseeds Production | Oilseeds and Products | Berlin | EU-27 | 4/12/2011 The rebound to average yields and an almost flat area leads to expectations of an increased EU-27 oilseeds production of about 1.5 percent in MY 211/12 reaching some 29.4 MMT. Along with the growing production crush of oilseeds is anticipated to rise accordingly. Ample supplies of soybean meal in North and South America are forecast to increase soybean meal imports which will be absorbed by the feed demand of the growing poultry sector. After a decline of total oilseeds oil use for biodiesel ... Oilseeds and Products Annual_Berlin_EU-27_4-4-2011	04/04/2011
| Oilseeds - Increased Domestic Soybean and Soybean Meal Production | Oilseeds and Products, Bio-Fuels, Grain and Feed | Vienna | EU-27 | 12/3/2010 In MY 20010/11, EU-27 production for the three major oilseed crops was higher than our August estimates. Soybean production showed a 12.4 percent increase whereas rapeseed and sunflower production were only revised marginally upward. Price competitiveness and a strong demand from the broiler and swine industries are expected to increase soybean imports and crushing beyond previous estimates. In line with higher soybean meal production, a result of the higher crush volume, the use of soybean m... Oilseeds - Increased Domestic Soybean and Soybean Meal Production_Vienna_EU-27_11-30-2010	11/30/2010
Green Party Plan To End Soybean Imports | Oilseeds and Products | Berlin | Germany | 11/5/2010 The German Green Party has developed a proposal to replace imported soybeans with domestically produced protein crops. The Greens are advancing the proposal using a clear EU parliamentary strategy and ties to sweeping environmental themes but technical challenges remain. If successfully implemented, the 'Protein Strategy for Agriculture' could jeopardize roughly $500 million in U.S. soybean sales to Germany. Green Party Plan To End Soybean Imports_Berlin_Germany_11-2-2010	11/02/2010

Related Topics

Report Title	Date Released
| EU-27 Annual Biofuels Report | Bio-Fuels | The Hague | EU-27 | 6/29/2011 Despite EU consumption of biofuels steadily increased, and the use of fossil fuels stagnated, the EU did not achieve its Directive 2003/30 indicative target for blending in 2010. During 2006 - 2008, the EU Member States' mandates for blending and the relative high crude oil prices spurred the domestic use and production of biofuels. Since 2007, however, competitive imports of biofuels have been deteriorating domestic producer margins. Despite the effort of the EC to regulate these imports, th... Biofuels Annual_The Hague_EU-27_6-22-2011	06/22/2011
| Wheat, Barley, Corn, Rye, Sorghum, Oats, Mixed Grain, Select | 2011 | Grain and Feed | London | EU-27 | 4/27/2011 Wet weather in some parts of the EU27 during fall 2010 is reported to have delayed and limited plantings in those countries. That said, favorable conditions elsewhere, generally good over-wintering conditions across the EU27, improved soil moisture and favorable spring planting conditions, indicate the MY2011/12 EU27 planted grain area is forecast slightly up and production is currently forecast to rise. While rain is currently needed in the west, particularly in France and the UK but also in ... Grain and Feed Annual_London_EU-27_4-21-2011	04/21/2011
| Animal Numbers, Cattle, Meat, Beef and Veal, Animal Numbers, Swine, Meat, Swine, Select | EU-27 Semi-Annual 2011 | Livestock and Products | The Hague | EU-27 | 3/7/2011 Low feed prices in the first half of 2010 sparked piglet production and encouraged farmers to slaughter cattle and hogs	02/28/2011

at higher weights. As a result, the EU's domestic supply of beef and pork rose significantly during the second half of 2010. Elevated supply, in combination with strong foreign demand, benefitted exports. In 2010, EU beef exports more than doubled while pork exports rose almost a quarter. In 2011, EU beef and pork supplies are expected to fall as a result of higher feed pri... Livestock and Products Semi-annual_The Hague_EU-27_2-28-2011	
| Poultry, Meat, Broiler | After a Buoyant 2010 Year, EU-27 Poultry Sector Growth Slowing in 2011 | Poultry and Products | Paris | EU-27 | 3/4/2011 After a significant surge in 2010 (almost 4 percent) fueled by extremely strong export demand in Russia and Hong Kong, EU-27 broiler production is expected to grow moderately in 2011 by 1 percent as new import regulations in Russia are likely to hit exports. EU-27 chicken meat imports decreased in 2010 due to lower imports from Brazil and no rebound is expected for 2011. Poultry meat, which is the cheapest source of protein, was less affected by the European economic recession than other meats; ... Poultry and Products Semi-annual_Paris_EU-27_3-1-2011	03/01/2011
| Transposition of the RED into National Legislation | Bio-Fuels | Brussels USEU | EU-27 | 2/18/2011 According to EU legislation, the Renewable Energy Directive must be transposed into their national legislation by December 5, 2010. Almost all of the EU Member States will not meet the deadline. It remains unclear how the Commission, and the Member States, will deal with the delays. Transposition of the RED into National Legislation_Brussels USEU_EU-27_2011-02-15	02/15/2011
| Brief Analysis of the EU National Plans | Bio-Fuels | The Hague | EU-27 | 12/21/2010 This report provides a brief analysis of EU Member State (MS) national renewable energy action plans, which are part of a broad EU effort to increase the use of biofuels in transportation and electricity production. The report also considers the implications for domestic crop production and trade. For example, to meet the EU's stated goals, it is estimated that an additional 10 MMT of grains and 12 MMT of oils and fats may be required annually. Brief Analysis of the EU National Plans_The Hague_EU-27_12-16-2010	12/16/2010
| Introduction of E10 may curb biodiesel consumption in Germany | Bio-Fuels, Trade Policy Monitoring | Berlin | Germany | 11/12/2010 The German Government has doubled to 10 percent the allowable amount of ethanol in gasoline. Starting January 1, 2011, E10,a gasoline mix of 90 percent gasoline and 10 percent bioethanol by volume, will be freely sold in Germany. This is expected to increase bioethanol demand and imports. However, because the overall biofuel mandate remains unchanged it is also expected that increase in bioethanol market share may reduce consumption of biodiesel in Germany. Introduction of E10 may curb biodiesel consumption in Germany_Berlin_Germany_11-09-2010	11/09/2010
| Status of Biomass Sustainability Certification in Germany | Bio-Fuels, Trade Policy Monitoring | Berlin | Germany | 3/15/2010 As of July 1, 2010, biofuels will need a "proof of sustainability" certificate from an approved sustainability system in order to be eligible for tax incentives or mandates in Germany. In order to be able to certify production, U.S. industry can work with an existing German certification system or develop its own system and have it approved in Germany. Information on requirements for approval of certification systems can be obtained from the German Federal Agency for Agriculture and Nutrition ... Status of Biomass Sustainability Certification in Germany_Berlin_Germany_3-11-2010	03/11/2010
| Commission Communications on Sustainability and Voluntary Schemes | Bio-Fuels | Brussels USEU | EU-27 | 7/15/2010 In June 2010, the Commission published two Communications to encourage industry, governments and NGO's to set up certification schemes. One Communication concerns the practical implementation of the Sustainability Scheme, and the other concerning Voluntary Schemes and default values. In the Communications the Commission explicitly rules out that forests can be converted into palm oil plantations. Reactions from stakeholders in Brussels on the Communications have been generally positive. Commission Communications on Sustainability and Voluntary Schemes_Brussels USEU_EU-27_6-23-2010	06/23/2010